
Missouri Market Development Program

Annual Report for Fiscal Year 2014

(July 1, 2013 – June 30, 2014)



EIERA
Environmental Improvement and Energy Resources Authority



Missouri Market Development Program

Building Missouri Business

Introduction

Administration

In 1990, the Missouri General Assembly directed the Environmental Improvement and Energy Resources Authority to establish the Missouri Market Development Program to promote the development and maintenance of markets for recovered materials. EI ERA is a quasi-governmental agency with a Governor appointed bi-partisan board that serves as the financing arm of the Department of Natural Resources. EI ERA was selected to house the Missouri Market Development Program to bridge economic development and environmental interests.

Purpose

The Missouri Market Development Program promotes the development and maintenance of markets for recovered materials and recycled content products throughout Missouri by providing financial incentives, technical assistance and informational services to businesses, governments and other organizations.

Recycling market development helps to ensure that recycling will expand its role in a sustainable Missouri economy, create jobs, conserve resources, contribute to a quality environment and reduce reliance on Missouri's landfills for disposal of solid waste.

Funding

To implement this statewide effort, the Missouri Market Development Program was allocated \$800,000 from Missouri's Solid Waste Management Fund in fiscal year 2014.

Recycling market development is working!

In fiscal year 2014, the Missouri Market Development Program's new investment in five Missouri recycling businesses and continued management of 15 active projects benefited our economy and the environment:

- Leveraged more than \$13.3 million in total investment
- Created 98 Missouri jobs
- Diverted almost 58,000 tons annually from Missouri landfills
- The avoided disposal costs for the materials used in these projects combines to \$2.5 million each year.



Missouri Market Development Program

Developing markets through cooperation

Partners

The cooperation and assistance of several agencies and organizations have been instrumental in the success of the Missouri Market Development Program.

Department of Economic Development

During the fiscal year, the Missouri Market Development Program continued its working relationship with the Department of Economic Development in support of program objectives. The Missouri Market Development Program and DED coordinate direct assistance to businesses to improve sales and purchases of Missouri products made from recyclable materials.

Department of Natural Resources

The Missouri Market Development Program works closely with the Department of Natural Resources in its administration of the Solid Waste Management Fund and the Solid Waste Management Program's waste reduction and recycling efforts. The Missouri Market Development Program coordinates priorities and evaluation of activities with the Solid Waste Management Program.

Office of Administration

The Missouri Market Development Program, in cooperation with the Office of Administration, promotes recycling in state agencies. The Missouri Market Development Program works with the Office of Administration on the Missouri Interagency Recycling Council and in developing the annual State of Missouri Recycling and Waste Reduction Report.

Solid Waste Advisory Board

The Missouri Market Development Program provides updates on its activities to the Solid Waste Advisory Board. The Solid Waste Advisory Board is made up of the chairperson of each of the 20 Solid Waste Management Districts, three citizen representatives and two representatives of the solid waste management industry. The Solid Waste Advisory Board solid waste chair also serves on the Missouri Market Development Program Steering Committee.

Missouri Market Development Program Steering Committee

Staff from the EIERA, DED and DNR's Solid Waste Management Program comprise the interdepartmental Market Development Program Steering Committee. The Solid Waste Advisory Board chair is a permanent steering committee member. The steering committee evaluates financial assistance applications and technical assistance proposals submitted to the Missouri Market Development Program and makes funding recommendations to the EIERA board.



Missouri Market Development Program

Developing markets through cooperation

Partners (continued)

Mid-America Council of Recycling Officials

The Missouri Market Development Program represents Missouri on the 14-state Mid-America Council of Recycling Officials. As a member of the council, the Missouri Market Development Program encourages multi-state recycling, market development, reuse and source reduction efforts.

Missouri Recycling Association

Missouri Market Development Program staff are actively involved in the activities of the Missouri Recycling Association, Missouri's only collective voice for recycling, waste reduction and sustainability issues.

Missouri Waste Control Coalition

The Missouri Market Development Program supports the efforts of the Missouri Waste Control Coalition.

Bridging the Gap/Planet Reuse

The Missouri Market Development Program continued the Midwest Materials Exchange through a partnership with Bridging the Gap and Planet Reuse. This free online materials exchange enables industries to post material available and negotiate sales to potential end users.



Missouri Market Development Program

Business Assistance

FY 2014 Update

Responding to Stakeholders

In recent years, changes were made to the program that enabled the Missouri Market Development Program to support larger-scale projects with greater impact. This has allowed us to help expand businesses, such as EXT Inc., which is creating 11 new full-time jobs at its manufacturing facility in Excelsior Springs, and Madison County Wood Products, which is creating six new full-time jobs at its pallet manufacturing facility in Fredericktown.

Fiscal Year 2014 Financial Assistance

The Missouri Market Development Program's financial assistance is targeted toward developing and expanding manufacturing capacity in Missouri by assisting businesses with the purchase of equipment needed to enable manufacturing facilities to use recovered materials. Financial Assistance applicants to the Missouri Market Development Program may seek eligibility to request up to \$250,000 toward the purchase of specific equipment needed to manufacture a product from recovered materials or to process materials so that they can be used as manufacturing feedstock. Applications are assigned points in the categories of job creation, annual diversion and the cash match provided by the applicant. Increasing amounts of assistance are available as points scored by an application increase. If the application addresses a Missouri Market Development Program target, additional points are added to the total. Targets are construction and demolition waste, food waste and organics, plastics or location in a minimally funded Missouri Solid Waste Management District. (A list of these districts is available at <http://eiera.mo.gov/files/How-Missouri-Market-Development-Program-applications-are-scored.pdf>.) Any award requires a cash match of at least 25 percent of the cost of the equipment, and a 50 percent cash match is required to receive the maximum award.

Additional Activities

In addition to the financial assistance offered to Missouri business, the Missouri Market Development Program assists businesses with locating and procuring recyclable feedstocks and end markets for their recycled-content products. The program maintains a "Missouri Recycled Products Directory" and the Midwest Materials Exchange, a Web-based service where businesses can locate or find end users for materials.



Missouri Market Development Program

Business Assistance

FY 2014 Projects

Bluebird Composting - Fulton

Bluebird Composting, LLC, Fulton, was awarded \$75,000 to purchase equipment costing \$116,000 that would enable the company to expand its collection and processing of food waste and other organic materials. Bluebird Composting was established in 2012 and with two employees is currently composting approximately 1 ton of food waste daily on a 25-acre site just outside of Fulton. The company founder is a life-long farmer with both academic and practical knowledge of composting and sustainable agriculture.

Bluebird Composting is working with the Fulton State Hospital, Westminster and William Woods colleges and a Columbia elementary school, collecting materials from these sites on a daily basis. The company is working to grow its business to include additional schools and facilities within a 50-mile radius of its base. It sells a premium compost product in both bulk and bags and some additional soil products from its Fulton location and through several area vendors. Bluebird Composting anticipates **recovering 1,200 tons** of material each year and **creating six new full- and part-time jobs** with this project.

EXT, INC. – Excelsior Springs

EXT, Inc., Excelsior Springs, was awarded \$75,000 to refurbish inoperable equipment that would enable the company to increase recycling capacity and plastic sheet production. The cost of refurbishing the granulator and sheet extrusion machine is \$142,288. EXT, Inc., a successful past program participant, has been producing plastic sheets and thermoformed parts from recovered materials since 1974. The company manufactures products for a wide array of industries, including transportation, display, packaging, and lawn and garden.

By refurbishing inoperable equipment, the company can increase production capacity of products containing primarily high impact polystyrene and high density polyethylene sourced from many areas in the state. EXT, Inc. manufactures with near zero processing waste, and approximately 90 percent of its products contain recycled materials. The company is one of only a small handful of companies in the United States that recycles material, extrudes sheets and then thermoforms the sheets into finished products.

This project will substantially increase the company's diversion and also enable it to accept materials for which it currently does not have capacity. EXT's product line is diverse and constantly changing. Because many of its products are made from the sheets produced by this equipment, it is likely that new and different products will result. With this project, EXT, Inc., anticipates **diverting an additional 609 tons** from the waste stream annually and **creating 11 new full-time jobs**.



Missouri Market Development Program

Business Assistance

FY 2014 Projects

Lake Area Industries – Camdenton

Lake Area Industries, Inc., Camdenton, was awarded \$63,000 to purchase equipment costing \$84,000 to provide foam recycling in the Lake of the Ozarks area. Lake Area Industries is a sheltered workshop that has operated for 30 years and currently employs 55 people with disabilities. This project proposes to recover the vast amounts of plastic foam that remain in nuisance dumpsites throughout the Lake area since the 2008 decision by Ameren UE to require all boat dock foam to be converted to encapsulated floats.

Lake Area Industries has already identified more than 16,000 cubic yards of foam from immediate processing and has the support of local dock companies, waste haulers and the local solid waste management district. The company anticipates **diverting a minimum of 200 tons** from the waste stream annually and **creating six new full-time jobs** with this project.

Loganbill Enterprises – Latham

Loganbill Enterprises, LLC, Latham, was awarded \$50,000 to purchase equipment costing \$106,500 to set up an additional shavings mill that would enable the company to produce dried and bagged colored wood shavings primarily marketed to beef and equestrian show participants. Loganbill Enterprises is a family-owned operation established in 1996 that produces shavings, mulch and compost products from waste wood.

Loganbill Enterprises has been selling bulk colored shavings to the American Royal for the past five years and at the Missouri State Fair this past year. This exposure has led to several inquiries from across the country about the availability of bagged colored shavings. A separate mill is required because this premium product uses oak rather than the traditional pine shavings required by most users, and the materials cannot be mixed as oak can cause health problems for poultry. Loganbill Enterprises anticipates **diverting 750 tons** from the waste stream annually and **creating one new full-time job and one new part-time job** with this project.

Madison County Wood Products - Fredericktown

Madison County Wood Products, Inc., Fredericktown, was awarded \$42,000 to purchase equipment costing \$84,000 that enables the company to reclaim and convert waste wood into usable lumber for sale or use as pallet components in its pallet manufacturing operation. Madison County Wood Products is a fully integrated operation involving timber purchasing, logging and milling. It is a second generation family-owned business with more than 100 employees. This project will collect waste logs, lumber and slabs from area operations, helping them avoid disposal fees of more than \$112,000 annually. Madison County Wood Products anticipates **diverting 2,675 tons** of waste annually and **creating six new full-time jobs** with this project.



Missouri Market Development Program

Business Assistance

Summary of FY 2014 Projects

Company	City	Material	Est.Tons Diverted Annually	Est.New Jobs	Award	Investment	Savings
Bluebird Composting	Fulton	Food	1,200	6	\$75,000.00	\$200,000	\$60,000
EXT, Inc.	Excelsior Springs	Plastic	609	11	\$75,000.00	\$142,288	\$45,000
Lake Area Industries	Camdenton	Foam	200	6	\$63,000.00	\$84,000	\$22,500
Loganbill Enterprises	Latham	Wood	750	2	\$50,000.00	\$106,500	\$49,822
Madison County Wood Products	Fredericktown	Wood	2,675	6	\$42,000.00	\$84,000	\$112,350
TOTALS			5,434	31	\$305,000	\$616,788	\$289,672

Recycling market development is working!

The Missouri Market Development Program's fiscal year 2014 new investment in these five Missouri recycling businesses helped our economy and environment:

- Leverage almost \$617,000 in total investment
- Create 31 Missouri jobs
- Divert more than 5,400 tons annually from Missouri landfills
- The avoided disposal costs for the materials used in these projects combines to almost \$290,000 each year.



Missouri Market Development Program

Business Assistance

Summary of FY 2014 Active Projects (previously awarded – still open)

In addition to the five new projects awarded in fiscal year 2014, 15 previously awarded projects were actively managed by the program during the fiscal year.

Company	City	Material	Est.Tons Diverted Annually	Est.New Jobs	Award	Investment	Savings
B&G Skid Removal, LLC	New Bloomfield	Wood	3,200	1	\$50,000.00	\$196,000	\$112,000
Ciona Technologies, Inc.	Springfield	Electronics	53	16	\$250,000.00	\$898,000	\$2,531
Dairy Farmers of America	Springfield	Glass	223	0	\$39,818.00	\$347,043	\$7,805
Enginuity, LLC	Hartville	Plastics	250	7	\$50,000.00	\$200,000	\$8,750
Fick Supply Service, Inc.	Wildwood	Wood	18,750	1	\$50,000.00	\$706,746	\$656,250
Foam Product Corporation	Maryland Heights	Foam	52	5	\$45,750.00	\$91,500	\$2,484
Foundation Workshop, Inc.	Grandview	Plastics	156	2	\$35,500.00	\$47,133	\$5,460
Lake Area Industries	Camdenton	Foam	5	6	\$39,000.00	\$52,000	\$238
Master Marble, Inc.	Holden	Glass	120	5	\$50,000.00	\$70,795	\$5,732
Missouri Organics Recycling	Kansas City	Wood	1,000	1	\$46,600.00	\$137,983	\$47,770
MO Woodworking Specialties	Salem	Wood	98	2	\$39,371.00	\$110,000	\$3,430
Nature's Methane FarmWorks	St. Louis	Organics	26,000	3	\$250,000.00	\$8,900,000	\$1,242,020
Prock Operations, Inc.	St. James	Solid Surface	24	3	\$50,000.00	\$78,900	\$840
Remains, Inc.	St. Louis	Textiles	460	3	\$36,250.00	\$72,500	\$16,100
St. Josephs Plastics	Sedalia	Plastics	1,875	12	\$250,000.00	\$900,000	\$89,568
TOTALS			52,266	67	\$1,242,918.00	\$12,698,600	\$2,200,978

Recycling market development is working!

These 15 previously awarded, active projects benefited the Missouri economy and environment by achieving the following:

- Leveraging almost \$12.7 million in total investment
- Creating 67 Missouri jobs
- Diverting more than 52,000 tons annually from Missouri landfills
- The avoided disposal costs for the materials used in these projects combines to \$2.2 million annually.



Missouri Market Development Program

Informational Services

Working Toward Solutions

During the fiscal year, staff advised businesses on market conditions, locating recovered material feedstocks, determining markets, developing products and creating business presentations. Staff also responded to requests for information on marketing, planning assistance and markets for recyclables from governments and not-for-profit organizations.

The Missouri Market Development Program assisted businesses, governments, organizations and individuals in locating specific recycled content products. The program publishes and distributes a *Missouri Recycled Products Directory* listing Missouri manufacturers and distributors of recycled content products.

Information sharing is an important aspect of the Missouri Market Development Program's efforts to help build Missouri's recycling infrastructure. The program provides resources and informational services to businesses, governments and other organizations to increase manufacturing, marketing or purchasing of recycled content products.

Through a partnership with Bridging the Gap and Planet Reuse, the program continued the Midwest Materials Exchange. This free online materials exchange enables industries to post material available and negotiate sales to potential end users.

Missouri Market Development Program staff also promoted Missouri's recycling industry and the "buy recycled" message in speaking engagements and workshops and participated in state, regional and national recycling issue conferences and meetings.

Staff develops and maintains information for a Missouri Market Development Program Web site (www.eiera.mo.gov/mo-market-dev-program) and continues to gather and refine information for future web publication. The Web site enables businesses to download the Missouri Market Development Program Application for Financial Assistance and access other program publications and information.

During the fiscal year, Missouri Market Development Program staff supported and participated in state, region and nation-wide organizations and activities to gain and share knowledge and to develop professional relationships in the areas of recycling, economic development, solid waste and related environmental or business areas. Active involvement in these initiatives enables Missouri Market Development staff to approach problem solving from many perspectives and better facilitate growth of Missouri's recycling businesses.



Missouri Market Development Program

Outlook

Focusing on Opportunity

Economy

Recycling market development provides business opportunities for Missouri entrepreneurs, creates jobs and helps protect the environment. Missouri Market Development Program participants are primarily small businesses, often located in rural areas where business development opportunities are limited. The Institute for Local Self-Reliance estimates that keeping 10,000 tons of solid waste out of the landfill creates 10 recycling jobs or 75 materials reuse jobs. In 2012, waste and scrap were one of Missouri's top 10 exports, totaling \$451 million, according to the Missouri Department of Economic Development. And, nearly 5 percent of Missouri's total employment was in green economy sectors as of 2009, according to DED.

Environment

Reducing, reusing, recycling or composting waste saves energy, raw materials and landfill space. Since 1993, EIARA has awarded 424 grants totaling more than \$11 million for market development and technical assistance projects in Missouri. During that time, solid waste disposal alternatives have resulted in a 57 percent diversion of trash from landfills, according to the Missouri Department of Natural Resources.

Challenges

Recycling market prices rise and fall in response to many factors that are difficult to manage on a local level. Low-cost manufacturing imports, global economic downturns and inexpensive disposal rates can all impact the cost of recycling markets. Many recycling businesses still face significant hurdles when trying to secure financing from the investment community. Resources are still being thrown away instead of recovered, and recycled content products continue to struggle for prominence in marketplaces.

Opportunities

Recycling is a growth industry with many business opportunities. Local, state and national programs have worked together to reduce waste and increase recycling. As the scale of recovery grows, the cost competitiveness of recycled materials as a substitute for virgin materials will improve. Recycling market development creates jobs, encourages new enterprise and increases the competitiveness of existing enterprise.

Missouri Market Development Program

The Missouri Market Development Program draws on the expertise of business owners and operators, government officials and others knowledgeable and active in recycling market development. Recycling occurs when materials are returned to the economic mainstream as products people use, the Missouri Market Development Program will continue to work to ensure that materials collected are used by manufacturers as feedstocks for products. By converting waste into valuable raw materials, recycling creates jobs, builds more competitive manufacturing industries and adds value to Missouri's economy.



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